

# **VA Overpayment Accountability Act of 2021**

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Through several programs, the Department of Veterans Affairs (VA) provides monthly payments to veterans and other beneficiaries. Changes in eligibility, antiquated VA technology, and internal communication errors between IT systems lead to too many overpayments to veterans, often through no fault of their own.

VA makes efforts to recover these overpayments from veterans, and often does so by withholding amounts from their monthly benefit checks until the full amount is recouped. Because there is no limit on how much VA can ask a vet to repay, and no limit on how far back it can go to collect the debt, these sums can become enormous. Many times, VA withholds entire checks from veterans who may be living on fixed incomes.

The VA Overpayment Accountability Act aims to improve VA IT systems so that poor communication between systems is less likely to result in erroneous overpayments. It also aims to provide better credit protection for veterans who have received overpayments. In the 116<sup>th</sup> Congress, the bill passed through the House on suspension of the rules by bipartisan voice vote.

## **Section-by-Section**

### **Section 1. Short Title.**

This Act may be cited as the “VA Overpayment Accountability Act”.

### **Section 2. Repair of Credit**

This section requires VA and debt collectors working for VA to take steps to correct erroneous information provided to consumer reporting agencies and remove errors from veterans’ credit reports.

### **Section 3. Improved Processing of Benefits by Department of Veterans Affairs**

This section requires VA to improve its IT systems to achieve the following:

- Providing electronic notification to veterans who have incurred debts
- Allowing veterans to review their own information regarding dependents
- Tracking metrics related to overpayments, debts, and the outcome of applications to waive recovery of debts.

### **Section 4. Audit of Erroneous Payments by Veterans Benefits Administration; Plan of Correction**

This section requires the VA Secretary conduct an audit within 180 days of enactment to determine:

- The frequency of overpayment errors; and
- Whether staffing issues and vacancies at the Veterans Benefits Administration contribute to overpayments.

No later than 30 days after the audit is completed, this section requires the VA Secretary to submit a plan to Congress to improve IT systems to ensure that communication issues between IT systems do not cause overpayments.